

## **5. Claims**

We claim:

- 1           1.       A method for creating a portfolio using a computer comprising the steps of:  
2           determining winners and losers from a group of stocks;  
3           applying a filter that passes low-volume winners and high-volume losers; and,  
4           storing the remaining winners and losers as said portfolio.
- 1           2.       The method for creating said portfolio according to claim 1, wherein said group of  
2       stocks is selected from stocks traded on the NYSE.
- 1           3.       The method for creating said portfolio according to claim 1, wherein said group of  
2       stocks is selected from stocks in the S&P 500.
- 1           4.       The method for creating said portfolio according to claim 1, wherein said group of  
2       stocks is selected from stocks traded on the TOPIX in Japan.
- 1           5.       The method for creating said portfolio according to claim 1, wherein said group of  
2       stocks is selected from stocks associated with the MSCI Europe.
- 1           6.       The method for creating said portfolio according to claim 1, wherein said group of  
2       stocks is selected from stocks associated with the MSCI World basket.
- 1           7.       A method of trading a portfolio in which said portfolio includes low-volume  
2       winners and high-volume losers comprising the step of:  
3           holding said low-volume winners long.
- 1           8.       The method according to claim 7 further comprising the step of:  
2           holding said low-volume winners for six months.
- 1           9.       The method according to claim 7, further comprising the step of:  
2           rebalancing said portfolio at the end of six months.

1           10.    The method according to claim 7, further comprising the step of:

2           rebalancing said portfolio at the end of three months.

1           11.    A method of trading a portfolio in which said portfolio includes low-volume

2           winners and high-volume losers comprising the step of:

3           holding said high-volume losers short.

1           12.    The method according to claim 11 further comprising the step of:

2           holding said high-volume losers for three months.

1           13.    A computer-readable medium storing a computer-implemented program for  
2           creating a portfolio using a computer, said program comprising the steps of:

3           determining winners and losers from a group of stocks;

4           applying a filter that passes low-volume winners and high-volume losers; and,

5           storing the remaining winners and losers as said portfolio.

1           14.    The computer-readable medium according to claim 13, wherein said group of  
2           stocks is selected from stocks traded on the NYSE.

1           15.    The computer-readable medium according to claim 13, wherein said group of  
2           stocks is selected from stocks in the S&P 500.

1           16.    The computer-readable medium according to claim 13, wherein said group of  
2           stocks is selected from stocks traded on the TOPIX.

1           17.    The computer-readable medium according to claim 13, wherein said group of  
2           stocks is selected from stocks associated with the MSCI Europe.

1           18.    The computer-readable medium according to claim 13, wherein said group of  
2           stocks is selected from stocks associated with the MSCI World basket.

1           19.    A computer-readable medium for storing a program having steps for trading a  
2    portfolio in which said portfolio includes low-volume winners and high-volume losers, said  
3    program comprising the step of:

4           holding said low-volume winners long.

1           20.    The computer-readable medium according to claim 19, said program further  
2    comprising the step of:

3           holding said low-volume winners for six months.

1           21.    The computer-readable medium according to claim 19, said program further  
2    comprising the step of:

3           rebalancing said portfolio at the end of six months.

1           22.    The computer-readable medium according to claim 19, said program further  
2    comprising the step of:

3           rebalancing said portfolio at the end of three months.

1           23.    A computer-readable medium for storing a program having steps for trading a  
2    portfolio in which said portfolio includes low-volume winners and high-volume losers  
3    comprising the step of:

4           holding said high-volume losers short.

1           24.    The computer-readable medium according to claim 23, said program further  
2    comprising the step of:

3           holding said high-volume losers for three months.

1           25.    The method according to claim 1, wherein the group of stocks is selected from  
2    stocks traded on an exchange.

1           26.    The method according to claim 7, wherein the portfolio is selected from stocks  
2   traded on an exchange.

1           27.    The method according to claim 11, wherein the portfolio is selected from stocks  
2   traded on an exchange.

1           28.    The computer-readable medium according to claim 13, wherein the group of  
2   stocks is selected from stocks traded on an exchange.

1           29.    The computer-readable medium according to claim 19, wherein the portfolio is  
2   selected from stocks traded on an exchange.

1           30.    The computer-readable medium according to claim 23, wherein the portfolio is  
2   selected from stocks traded on an exchange.

1           31.    A method for creating and trading a portfolio using a computer comprising the  
2   steps of:

3           determining winners and losers from a group of stocks;  
4           applying a filter that passes low-volume winners and high-volume losers;  
5           storing the remaining winners and losers as said portfolio; and,  
6           holding at least one of said high-volume losers short and said low-volume winners short.

1           32.    A computer-readable medium storing a computer-implemented program for  
2   creating and trading a portfolio using a computer, said program comprising the steps of:

3           determining winners and losers from a group of stocks;  
4           applying a filter that passes low-volume winners and high-volume losers;  
5           storing the remaining winners and losers as said portfolio; and,  
6           holding at least one of said high-volume losers short and said low-volume winners short.

1           33.    A computer system for creating and trading a portfolio comprising:

2 an input for receiving a group of stocks;

3 a processor; and

4 an output,

5 wherein said processor receives said group of stocks, determines winners and losers from  
6 said group of stocks, applies a filter to said winners and losers, associates said portfolio with said  
7 low-volume winners and high-volume losers, and outputs said portfolio to said output.

1 34. The computer system according to claim 33, wherein said processor outputs at  
2 least one command to hold said low-volume winners long.

1 35. The computer system according to claim 33, wherein said processor outputs at  
2 least one command to hold said high-volume losers short.

1 36. The computer system according to claim 33, wherein said group of stocks is  
2 selected from stocks traded on an exchange.

1 37. The method of trading a portfolio in accordance with claim 7, wherein said  
2 portfolio only includes low-volume winners and high-volume losers.

1 38. The method of trading a portfolio in accordance with claim 11, wherein said  
2 portfolio only includes low-volume winners and high-volume losers.

1 39. The computer-readable medium according to claim 19, wherein said portfolio  
2 only includes low-volume winners and high-volume losers.

1 40. The computer-readable medium according to claim 23, wherein said portfolio  
2 only includes low-volume winners and high-volume losers.

1 41. The method for creating said portfolio according to claim 1, wherein said winners  
2 and said losers are determined in accordance with a momentum life cycle.

1           42.    The method according to claim 7, wherein winners and losers are determined in  
2   accordance with a momentum life cycle and said low-volume winners and high-volume losers  
3   are determined in accordance with a volume/turnover filter.

1           43.    The method according to claim 11, wherein winners and losers are determined in  
2   accordance with a momentum life cycle and said low-volume winners and high-volume losers  
3   are determined in accordance with a volume/turnover filter.

1           44.    The computer-readable medium according to claim 13, wherein said winners and  
2   said losers are determined in accordance with a momentum life cycle.

1           45.    The computer-readable medium according to claim 19, wherein winners and  
2   losers are determined in accordance with a momentum life cycle and said low-volume winners  
3   and high-volume losers are determined in accordance with a volume/turnover filter.

1           46.    The computer-readable medium according to claim 23, wherein winners and  
2   losers are determined in accordance with a momentum life cycle and said low-volume winners  
3   and high-volume losers are determined in accordance with a volume/turnover filter.

1           47.    The computer system according to claim 33, wherein said winners and said losers  
2   are determined in accordance with a momentum life cycle and said low-volume winners and  
3   high-volume losers are determined in accordance with a volume/turnover filter.